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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/730,244	12/08/2003	Stephen C. Tulley	00-019-C1	2482

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EXAMINER	
BROCKETTI, JULIE K	
ART UNIT	**PAPER NUMBER**
3713	

DATE MAILED: 09/02/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	10/730,244	TULLEY ET AL.	
	Examiner	Art Unit	
	Julie K. Brocketti	3713	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *06 June 2005*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *36-64* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *36-64* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970);and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Claims 45-48 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1, 10, 12 and 33 of U.S. Patent No. 6,688,976. Although the conflicting claims are not identical, they are not patentably distinct from each other because both claim methods for facilitating a lottery ticket transaction involving receiving requests to purchase a lottery ticket, receiving an indication that the lottery number combination is to be associated with only a limited number of occurrences for the drawing and determining a price associated with the ticket based on the received indication and agreement that not more than the limited number of occurrences of the lottery number combination will be sold. The only difference

between claim 45 of the present application and claim 1 of the patent is that in the application, it recites "operator terminal" while the patent recites "a first player". It would have been obvious to a person of ordinary skill in the art that a player could operate an "operator terminal" thereby meeting both the claims in the application and in the parent. It is well known throughout the art that operator terminals generally have human interaction from players; therefore it is obvious that the operator terminal could include a player. Consequently, the present application is an obvious variant of the original patent and therefore, constitutes double patenting. With regards to claim 48 in the application, the claim is identical to claim 33 of the patent except for the last limitation. Claim 48 recites "preventing the lottery number combination from being associated with at least one additional lottery ticket" while claim 33 of the patent recites, "...an agreement that no other lottery tickets with the lottery number combination will be sold for the lottery drawing." One of ordinary skill in the art, would clearly know that when an agreement is reached no other lottery tickets with the lottery number combination should be sold for the lottery drawing, one would obviously prevent the lottery number combination from being associated with at least one additional lottery ticket in order to comply with the agreement. Therefore, the act of "prevention" is obvious to one of ordinary skill in the art and consequently, the claim constitutes double patenting.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 36-64 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

All of the claims generally recite method steps including the following "...receiving a request to purchase a lottery ticket..." and "...determining a price associated with a lottery ticket..." Applicant's method claims do not state that the invention outputs any information, such as the price, in printed form to a person or a display. None of the method steps allows Applicant's invention to be considered tangible and not merely an abstract idea. For example, many of the claims state the limitation of "determining a price" but what happens after the price is determined, is it printed out, displayed, etc. Under 35 U.S.C. 101 the claimed invention as a whole must accomplish a practical application. That is, it must produce a "useful, concrete and **tangible** result." *State Street, 149 F.3d at 1373, 47 USPQ2d at 1601-02.* The purpose of this requirement is to limit patent protection to inventions that possess a certain level of "real world" value, as opposed to subject matter that represents nothing more than an idea or concept, or is simply a starting point for future investigation or research *(Brenner v. Manson, 383 U.S. 519, 528-36, 148 USPQ 689, 693-96); In re Ziegler, 992, F.2d 1197, 1200-03, 26 USPQ2d 1600,1603-06 (Fed. Cir. 1993)).*

A process that consists solely of the manipulation of an abstract idea is not concrete or tangible. See *In re Warmerdam, 33 F.3d 1354, 1360, 31 USPQ2d 1754, 1759 (Fed. Cir. 1994). See also Schrader, 22 F.3d at 295, 30 USPQ2d at 1459.*

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 36-40 and 43-44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Scanlon, U.S. Patent No. 4,922,522 in view of "Double Lotto". Scanlon discloses a method of facilitating lottery ticket transactions. The lottery system receives a request from a player to purchase a lottery ticket for a pari-mutuel lottery game. The player sends his selected lottery number combination for a lottery drawing to the lottery agent (col. 2 lines 57-63). The price of the lottery ticket having a lottery number combination is determined. (Fig. 2; col. 5 lines 18-33) [claim 36].

Scanlon lacks in disclosing determining the price of a ticket based on an expected value associated with the lottery ticket having the lottery number combination. The Washington State Lottery introduced a game entitled

"Double Lotto." The lottery agent receives a request from a player to purchase a lottery ticket for a pari-mutuel lottery game. Players can pay $2 for a ticket instead of the regular $1 per ticket price. By paying the extra dollar players automatically double the prize amount if they win. Consequently, the price of the ticket is determined based on the expected value associated with the lottery ticket, i.e. the price of the ticket is doubled based on doubling the expected value of doubling the jackpot [claim 36]. Furthermore, the player makes the double bet for the specific lottery ticket with a specific lottery number combination. It is also based on a current winning amount, i.e. double the price for double the jackpot (See "Double Lotto", pg. 1) [claim 38]. It would have been obvious to one of ordinary skill in the art at the time the invention was made to allow players to receive the total jackpot amount even if multiple lottery tickets are winners [claim 37]. By paying an additional fee in Double Lotto players can ensure that their prize amount will be double the jackpot value. Consequently, it would also be obvious to play an additional fee to ensure that you will win the entire jackpot amount even if there are multiple winners. As seen in Double Lotto, players want to win as much as possible and will pay additional fees in order to win more money. When players purchase tickets they are ensured of winning a current total winning amount even if the total winning amount is subsequently adjusted [claim 39]. For example, if a player purchases a ticket when the jackpot is $4 million, and the jackpot later rises to $8 million dollars, the player was still assured of winning

$4 million at the time he purchased the ticket. In the game Double Lotto, the price of the ticket is independent of the cost of the lottery ticket to a lottery game provider; the cost of the ticket is based on how much of the jackpot a player wishes to win [claim 40]. Double Lotto as in any lottery game determines the price of a ticket based on a minimum price that subsequent players will be required to provide in exchange for participating in the pari-mutuel lottery game [claim 43]. For example, all regular tickets cost $1, which is the minimum price a player, must play to enter the game. Another price is determined that subsequent players will be required to provide in exchange for another lottery ticket having at least an expected value [claim 44]. For example, tickets cost $2 to have an expected value of twice the jackpot. It would have been obvious to one of ordinary skill in the art at the time the invention was made to implement the "Double Lotto" system into the lottery game of Scanlon. Players want to win as much money as possible. By only paying one extra dollar, players can expect to win twice the jackpot amount. Consequently, this is an incentive to both the player and the lottery agent. The player can win more money and the lottery agent is able to collect more money in ticket sales.

Claims 41 and 42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Scanlon in view of "Double Lotto" in further view of "Our Opinion State Scamming lottery buyers". Scanlon, lacks in disclosing determining the potential price amount based on a current popularity of a

lottery number combination. "Our Opinion State Scamming lottery buyers" teaches of locking out particular numerical combinations that are too popular (See "Our Opinion State Scamming lottery buyers") [claims 41 & 42]. By not allowing players to purchase tickets with popular combinations, the lottery agents are able to maintain their interest in the game. By controlling the odds, the lottery agents can ensure that they receive a portion of the bets, in turn determining a potential prize amount. It would also have been obvious to one of ordinary skill in the art at the time the invention was made to determine a ticket price based on the past popularity of a lottery number combination. If a lottery number combination is very popular the lottery agent can adjust the price of the ticket either higher or lower than normal to ensure that the lottery agent receives their share of the bets made thus maintaining their interest in the game. This is good business practice.

Claims 52-56, 59, 61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Scanlon, U.S. Patent No. 4,922,522 in view of "Our Opinion State Scamming lottery buyers". Scanlon discloses a method of facilitating lottery ticket transactions. A request to purchase a lottery ticket for a drawing in a pari-mutuel lottery is received from a lottery terminal at a retail store. The player sends his selected lottery number combination for a lottery drawing to the lottery agent (col. 2 lines 57-63). The price of the lottery ticket having a lottery number combination is determined as well as the set of symbols. (Fig. 2; col. 5 lines 18-33) [claim 52]. The system determines a lottery

ticket identifier (See Scanlon col. 4 lines 1-64; Fig. 2) [claim 55]. An indication of the lottery ticket identifier and the determined set of symbols are transmitted to the lottery terminal (See Scanlon col. 5 lines 5-34) [claim 56]. It is inherent to the system of Scanlon that an indication of the price of the lottery ticket is stored and determined based on the received indication. Since Scanlon allows players to purchase lottery tickets electronically, the price must be stored in the system and retrieved when a player wishes to complete a transaction [claims 59, 61]. While Scanlon does disclose informing a person of how many lottery entries are associated with a certain combination, Scanlon lacks in disclosing receiving an indication that a set of symbols is to be associated with no more than a predetermined number of occurrences with respect to the drawing.

"Our Opinion State Scamming lottery buyers" teaches of locking out particular numerical combinations that are too popular (See "Our Opinion State Scamming lottery buyers") [claim 52]. Therefore, at least one lottery ticket is prevented from being associated with the determined set of symbols (See "Our Opinion State Scamming lottery buyers") [claim 54]. At the time the invention was made it would have been an obvious matter of design choice to limit the specified number of occurrences to one occurrence because Applicant has not disclosed that one occurrence provides an advantage, is used for a particular purpose, or solves a stated problem. One of ordinary skill in the art, furthermore, would have expected applicant's invention to perform equally well

with any number of specified occurrences because the overall concept of limiting the number of specific lottery number combinations purchased is achieved. Therefore, it would have been prima facie obvious to modify "Our Opinion State Scamming lottery buyers" to obtain the invention as specified in claim 53 because such a modification would have been considered a mere design consideration which fails to patentably distinguish over the prior art. It would also have been obvious to one of ordinary skill in the art at the time the invention was made to receive an indication that a set of symbols is to be associated with no more than a predetermined number of occurrences with respect to the drawing, i.e. if a combination is to popular, notify the player. For example, in Scanlon if a player wants to see how many people have purchased a certain combination it is obvious to also show whether or not that combination is available to be purchased by one more player or whether or not that combination is locked out. By allowing the players to see how many people have already purchased a combination and the number of people that can still purchase the combination, players can make informed wagering decisions.

Claims 57, 58, 62 and 64 are rejected under 35 U.S.C. 103(a) as being unpatentable over Scanlon, U.S. Patent No. 4,922,522 in view of "Our Opinion State Scamming lottery buyers" in further view of "New National Phone Service Helps Lotto Players Increase Their Chances of Winning". Scanlon and "Our Opinion State Scamming lottery buyers" teach

all of the limitations mentioned above but lack in disclosing determining a set of symbols that has not previously been associated with any occurrences with respect to the drawing. "New National Phone Service Helps Lotto Players Increase Their Chances of Winning" discloses a method of facilitating a lottery ticket transaction in which a set of symbols are randomly determined that have not been previously associated with any occurrences with respect to the drawing. Consequently, the system prevents at least one lottery ticket from being associated with the determined set of symbols (See New National Phone Service Helps Lotto Players Increase Their Chances of Winning) [claims 57, 58, 62, 64]. It is verified that the randomly determined set of symbols have not previously been associated with at least one other lottery ticket for the drawing (See New National Phone Service Helps Lotto Players Increase Their Chances of Winning) [claim 63]. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have Scanlon determine a set of symbols that has not previously been associated with any occurrences with respect tot eh drawing. When a player wants to be the only player playing a set of numbers, instead of having the player attempt to determine a unique number combination it would be easier and faster to have the computer system determine the combination itself

Allowable Subject Matter

Claims 45-51 would be allowable if rewritten or amended to overcome the double patenting rejection, and 101 rejections set forth in this Office action.

Claim 60 is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

The following is a statement of reasons for the indication of allowable subject matter: Scanlon discloses informing the player of how many occurrences a particular lottery combination has so far in the lottery drawing. However, none of the prior art determines a price associated with a lottery ticket based on an indication that only a lottery number combination will be associated with a limited number of occurrences for the lottery drawing and an agreement that not more than the limited number of occurrences of the lottery number combination will be sold for the lottery drawing. The prior art of record also does not disclose, teach or suggest, determining a lottery number combination such that the lottery number combination is exclusively associated with a single lottery ticket and preventing the lottery number combination from being associated with at least one additional ticket.

Response to Amendment

It has been noted that claims new claims 49-64 have been added. The Examiner also notes that Applicant used incorrect status identifiers. "Previously Amended" should be "Previously Presented".

Response to Arguments

Applicant's arguments filed June 6, 2005 have been fully considered but they are not entirely persuasive. Applicant's arguments with respect to the terminal disclaimer and claim 48 are persuasive and those rejections have been withdrawn.

Applicant argues that the Examiner failed to create a prima facie case of obviousness of any pending claim with regards to the double patenting rejection. The Examiner has revised this rejection and notes that a prima facie case of obviousness has been made.

Applicant argues that no reference discloses "determining a price associated with a lottery ticket having a lottery number combination based on an expected value to the player of the lottery ticket having the lottery number combination". Applicant further argues that "Double Lotto" only has two prices $2 and $1 and that any "determination" that "Double Lotto" makes is based solely on whether a ticket has two plays or one play. The Examiner disagrees. While it is agreed that "Double Lotto" has two prices $2 and $1, the Examiner disagrees that this amount is based on whether a ticket has two plays or one play. In the article it clearly states that every ticket has two plays whether it is a $1 or a $2 ticket. The reason why a player would pay $2 instead of $1 for the same ticket is that the $2 ticket has an "expected value" to the player of twice the jackpot amount. Therefore, the price, i.e. $2, associated with a lottery

ticket having a lottery number combination is based on an expected value to the player of the lottery ticket having the lottery number combination. The expected value for that particular ticket is twice the jackpot amount. Furthermore, it is obvious to assume that if multiple players purchased the same lottery number combination and one player paid $1 for the ticket and another player paid $2 for his ticket and that combination was the winning combination then the first player would receive half of the jackpot amount while the second player would receive two times half the jackpot amount. Consequently, the game is still pari-mutuel.

Applicant then goes on to explain the definition of "pari-mutuel" in which the Examiner is not disagreeing with Applicant's definition. The Examiner does disagree with applicant's interpretation of "an expected value" In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., that in a pari-mutuel game, the expected value to a player of the lottery ticket having the lottery combination is necessarily based on whether there are other tickets having the same lottery number combination) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

The Examiner notes that the claims in this application are extremely broad and will be interpreted with a broad reading of the claims unless specific limitations and definitions are mentioned in the claims.

Terminal Disclaimer

The terminal disclaimer filed on September 27, 2004 disclaiming the terminal portion of any patent granted on this application, which would extend beyond the expiration date of U.S. Patent No. 6,688,976 has been reviewed and is accepted. The terminal disclaimer has been recorded. However since the terminal disclaimer was filed under 37 CFR 1.321(b) instead of 37 CFR 1.321(c) the double patenting rejection has not been overcome and is still pending.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Julie K. Brocketti whose telephone number is 571-272-4432. The examiner can normally be reached on M-Th 8:00-5:00.

The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Julie K Brocketti
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Art Unit 3713